

Message Text

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SUBJ: MULDOON GOVERNMENT MOVES ON INDUSTRIAL RELATIONS FRONT

1. SUMMARY: WITHIN HOURS OF ITS INTRODUCTION ON AUGUST 17, THE NATIONAL PARTY MAJORITY RUSHED THROUGH THE NEW ZEALAND PARLIAMENT LEGISLATION DESIGNED TO DEAL WITH THE MOUNTING SERIES OF INDUSTRIAL STRIKES. GOVERNMENT'S ACTION WAS COUPLED WITH AN ANNOUNCED FREEZE ON PRICES AND RENT. END SUMMARY.

2. IN A LATE NIGHT SITTING OF PARLIAMENT AUGUST 17, THE NATIONAL GOVERNMENT MOVED BOLDLY TO AMEND THE INDUSTRIAL RELATIONS ACT AND DEAL DECISIVELY WITH WHAT PRIME MINISTER MULDOON TERMED ONE OF THE MOST SERIOUS ECONOMIC AND INDUSTRIAL CRISES NEW ZEALAND HAS FACED. (COMMENT: THE PRIME MINISTER'S CLEAR REFERENCE IS TO THE IMPASSE WHICH HAS DEVELOPED BETWEEN MANAGEMENT AND LABOR IN THEIR EFFORTS TO JOINTLY AGREE ON "EXCEPTIONAL CIRCUMSTANCES" -- THE ONLY JUSTIFICATION UNDER THE GOVERNMENT'S WAGE FREEZE FOR A WAGE INCREASE CASE TO BE CARRIED TO THE WAGE BOARD FOR CONSIDERATION. OUT OF THEIR FRUSTRATION AT NOT BEING ABLE TO PRESENT A SINGLE WAGE APPEAL TO THE BOARD OVER THE LAST THREE MONTHS, THE UNIONS HAVE LATELY RESORTED TO THE SO-CALLED "ROLLING STRIKE", A JOB ACTION WHICH
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HAS BEEN ESPECIALLY PAINFUL TO THE EMPLOYER, AND, IN SEVERAL

INDUSTRIES, ONE WHICH HAS SERIOUSLY CURTAILED PRODUCTION.
END COMMENT)

3. SPEAKING OF THE PROPOSED AMENDMENT TO LIMIT THE "ROLLING STRIKE", MULDOON TOLD PARLIAMENT OF A "VERY VIGOROUS CAMPAIGN" AIMED AT DESTROYING THE GOVERNMENT'S ECONOMIC STABILIZATION POLICY. HE CHARGED THE CAMPAIGN WAS BEING ORCHESTRATED IN THE INDUSTRIAL FIELD BY THE SOCIALIST UNITY PARTY WHICH WAS DEDICATED TO DESTROYING NEW ZEALAND'S ECONOMY. IT WAS THE GOVERNMENT'S DUTY, HE SAID, TO SEE THAT THIS EFFORT FAILED AND THEIR ANTI-INFLATION MEASURES SUCCEEDED.

4. AMENDMENT TO THE INDUSTRIAL RELATIONS ACT IS SPECIFICALLY DIRECTED AT THE "ROLLING STRIKES" WHICH HAVE SERIOUSLY DISRUPTED SEVERAL KEY SECTORS OF THE ECONOMY -- TRANSPORT, ENGINEERING AND PULP AND PAPER -- IN THE PAST TWO MONTHS. UNDER THIS SYSTEM OF MOVING STOPPAGES, GROUPS OF WORKERS HAVE BEEN ABLE TO ALTERNATE THEIR REFUSALS TO WORK, THUS STOPPING AN INDUSTRY FOR SEVERAL DAYS AT A TIME BUT AT THE COST OF ONLY ONE DAY'S WAGES FOR ANY PARTICULAR WORKER GROUP. THE RESULT HAS BEEN MAXIMUM EMPLOYER COST AND MINIMUM WORKER LOSS. UNDER THE NEW AMENDMENT, HOWEVER, (A) THE DEFINITION OF A STRIKE IS CHANGED TO INCLUDE ANY TYPE OF OVERTIME BAN OR "GO-SLOW", AND (B) EMPLOYERS ARE GIVEN THE RIGHT TO SUSPEND, WITHOUT NOTICE, NON-STRIKING WORKERS WHOSE USUAL WORK CANNOT BE PROVIDED BECAUSE OF STRIKE ACTION BY OTHER WORKERS. (THIS CONTRASTS WITH THE PREVIOUS SEVEN-DAYS NOTICE OF SUSPENSION FOR NON-STRIKING WORKERS.) THE GOVERNMENT'S HOPE IS THAT THE AMENDMENT WILL BRING ABOUT A PARTIAL REDISTRIBUTION OF THE HARDSHIPS OF THE ROLLING STRIKE -- I.E., LESS ON THE EMPLOYER AND MORE ON THE WORKERS.

5. SIMULTANEOUSLY, AND AS A PARTIAL SOP TO THE TRADE UNIONS AND LABOR OPPOSITION, THE MULDOON GOVERNMENT ALSO ANNOUNCED REGULATIONS TO FREEZE PRICES AND RENTS, EFFECTIVE MIDNIGHT AUGUST 17 AND LASTING AT LEAST UNTIL THE END OF 1975. THERE WOULD BE BUT "LIMITED EXCEPTIONS" TO THE PRICE FREEZE, MULDOON SAID. COMBINED
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WITH THE WAGE FREEZE ALREADY ENACTED, THE GOVERNMENT EXPECTS IT WILL ASSIST SIGNIFICANTLY IN DIMINISHING THE RATE OF INFLATION.

6. WITH LITTLE COMMENT EXCEPT TO SAY THAT PROFITS SHOULD ALSO BE CONTROLLED, LABOR HAS WELCOMED THE PRICE AND RENT FREEZES. IT HAS RATHER DIRECTED ITS OPPOSITION AT THE INDUSTRIAL RELATIONS ACT AMENDMENT. THE

LEADERSHIP OF BOTH THE UNIONS AND THE LABOR PARTY HAVE COUNTERED THAT THE AMENDMENT WILL NOT GAIN THE UNIONS' COOPERATION BUT MERELY HASTEN THE DAY OF MAJOR UNION CONFRONTATION AGAINST THE MULDOON GOVERNMENT. THE LEGISLATION HAS "PICKED UP THE GREAT MASSES OF MODERATE TRADE UNIONS AND BROUGHT THEM CLOSER TO MILITANT ACTION", OPPOSITION LEADER ROWLING SAID. THE FIRST JOINT ACTION ANNOUNCED AFTER ENACTMENT OF THE LEGISLATION, HOWEVER, DID NOT SUPPORT THIS VIEW. THE RADICAL DRIVERS' UNION ANNOUNCED A NATIONWIDE 24-HOUR STRIKE FOR AUGUST 22, AND THE SOMEWHAT LESS RADICAL MEAT WORKERS' UNION DIRECTED ITS MEMBERS TO JOIN THE DRIVERS IN THE 24-HOUR STOPPAGE.

7. COMMENT: INITIAL REACTION OF THE LABOR OPPOSITION AND TRADE UNIONS HAS BEEN PREDICTABLY NEGATIVE, ALTHOUGH SOMEWHAT MUTED -- PERHAPS BECUASE THE GOVERNMENT'S MOVE CAME AS A COMPLETE SURPRISE. FEDERATION OF LABOR HEAD, SIR TOM SKINNER, ASKED THE UNIONS NOT TO "HIVE OFF ON THEIR OWN" BUT TO EXPLORE WITH THE FOL VERY AVENUE AND AVOID CONFRONTATION. IT REMAINS TO BE SEEN, HOWEVER, JUST HOW MUCH THE UNIONS WILL TURN TO THE FOL FOR DIRECTION OR WHETHER THE FOL REACTION WILL BE SUFFICIENTLY STRONG TO SATISFY THE INDIVIDUAL UNION MOODS.

PRIME MINISTER MULDOON CLEARLY UNDERSTANDS THAT WITH THE ENACTMENT OF THE INDUSTRIAL RELATIONS AMENDMENT HE HAS PICKED UP A BIG STICK AND SIGNIFICANTLY RAISED THE STAKES IN WHAT HAS BECOME A RUNNING CONFRONTATION WITH LABOR. AT ONE POINT IN THE DEBATE, MULDOON TURNED TO THE PUBLIC GALLERIES WHICH WERE FILLING WITH TRADE UNIONISTS AND SAID, QUOTE THE ACTION OF A LIMITED GROUP OF NEW ZEALAND TRADE UNIONISTS

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IN CAUSING MILLIONS AND MILLIONS OF DOLLARS WORTH OF DAMAGE TO NEW ZEALAND INDUSTRY IS GOING TO BE STOPPED. I SEE SOME OF THEM IN THE GALLERY NOW, AND I TELL YOU PERSONALLY YOU'RE NOT GOING TO GET AWAY WITH IT... I PROMISE YOU. UNQUOTE. WHETHER OR NOT MULDOON IS SUCCESSFUL VERY MUCH DEPENDS ON HIS ABILITY TO CONVINCE THE MAJORITY OF THE UNIONISTS THAT THE MILITANT UNIONS, RATHER THAN AN ANTI-UNION PHILOSOPHY WHICH SOME SUSPECT IS INHERENT IN THE MULDOON GOVERNMENT, ARE AT FAULT FOR THE ACTIONS WHICH HAVE BEEN TAKEN.

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